

117TH CONGRESS:

The NSSGA Legislative Agenda

NSSGA[®]

NATIONAL STONE, SAND
& GRAVEL ASSOCIATION

ROCKS BUILD AMERICA

Aggregates are the second most utilized product in the world and are the foundation to create buildings, roads, airports and bridges. They are indispensable in developing the infrastructure needed to access clean water; deliver reliable energy; and advance environmental stewardship. The National Stone, Sand & Gravel Association (NSSGA) represents more than 90 percent of the crushed stone and 70 percent of the sand and gravel produced annually in the United States.



Our 400 member companies are actively engaged to advance policies that improve our infrastructure and build more sustainable communities. We are working to enhance our nation's roads, buildings and the environment through efficient material sourcing and transportation, along with sustainable construction supply chains and effective project delivery. Below is an overview of the specific policies NSSGA is working to address with the 117th Congress and President Biden and his Administration, as we collectively work to build a better future.

INVESTING IN INFRASTRUCTURE IS KEY TO ECONOMIC SUCCESS

Our nation faces extraordinary infrastructure challenges. President Biden, Congressional leaders and almost every federally elected official has promised increased infrastructure investment, and polls routinely show a supermajority or more of voters support these efforts. With our nation seeking avenues of recovery from the ravages inflicted by the Covid-19 pandemic, Congress needs to come together to approve infrastructure legislation that leads and enables the American economic comeback — both near- and long-term. This will provide more jobs and opportunities than any direct payment, tax cut or other stimulus measure. NSSGA members are poised to deliver the resources needed to adequately improve our infrastructure and are ready to partner with policymakers to solve these daunting challenges.

■ Pass Multi-Year Surface Transportation Reauthorization:

It is imperative Congress approves a bipartisan, robust and sustainable multi-year surface transportation reauthorization bill that will continue federal infrastructure investment for all communities. Short-term extensions increase infrastructure costs significantly and delay project implementation.

■ **Maintain Support for Highways:** Highways are the life-blood of America, providing the means for transportation of people, goods, services, and medicine to both rural and urban communities. Highways must continue to receive the dedicated

investments needed to advance projects that increase vital access, reduce congestion, and improve the lives of all Americans. NSSGA supports continued utilization of the long standing and proven 80-20 revenue ratio for highways and transit investments out of the Highway Trust Fund (HTF).

■ **HTF Solvency Must be Addressed:** Without additional Congressional intervention, the HTF will be financially insolvent within the next two years. The next reauthorization bill must incorporate visionary and evolutionary revenue increases to avoid this disastrous outcome. NSSGA supports revenue

CONTACT

Michele Stanley
Vice President of Government
and Regulatory Affairs
mstanley@nssga.org

Austin Bone
Director of Government Affairs
abone@nssga.org

Nile Elam
Director of Government Affairs
nelam@nssga.org

ROCKS
build AMERICA

options to sustain the HTF and create financial certainty, including vehicle-miles-traveled (VMTs), public-private partnerships (P3s), bonding measures and the raising and indexing of the federal gas tax, which has been unchanged for nearly 30 years.

■ **Domestic Preference:** NSSGA supports utilizing American labor and materials. However, due to geologic and other limitations, some communities do not have viable access to the aggregates necessary for meeting their infrastructure needs or state/local specifications. Careful consideration must be given to any policy seeking to include construction materials under the Buy America provision to ensure it does not hamper the ability to source construction materials that meet these specific state needs. NSSGA strongly supports policies that promote domestic access to needed aggregates, which will improve environmental impacts and lead to more efficient infrastructure development.

■ **One Federal Decision:** The positive effects of increased infrastructure investments on the economy are only realized once the funds are efficiently and responsibly deployed into our communities. That said, under today's regulatory environment, public works project execution and infrastructure planning takes vast amounts of time and resources due to duplicative review processes and applications. NSSGA recommends incorporating policies like One Federal Decision into any infrastructure proposal to responsibly streamline project application timelines while maintaining appropriate federal oversight.

■ **Material Neutrality:** NSSGA strongly believes Congress should maintain and support materials-neutral, performance-based research, and investment in building materials solutions that enhance the durability, resiliency, performance and sustainability of our nation's infrastructure. Policymakers should not limit critical research dollars or promote one material over another. All materials and innovative solutions must be eligible to access these opportunities. Projects should be chosen on their merits decisions should be left to engineers and others with recognized technical expertise in designing and executing projects. This will ensure only the best solutions that truly solve our infrastructure challenges are delivered in the most cost-effective way.

■ **Water Resources Development Act (WRDA):** Aggregate materials are a critical component for the various Army Corps of Engineers projects covered under WRDA that improve ports and harbors, enhance waterway infrastructure traffic, protect our shorelines and mitigate flooding in our communities.

NSSGA supported the bipartisan efforts to pass WRDA in the last congress and to finally open the entire Harbor Maintenance Trust Fund for relevant projects in the coming years. NSSGA urges Congress to continue this investment and pass WRDA 2022 before the current authorization expires.

■ **Airport Investment:** NSSGA supports efforts to make continued improvements to U.S. runways, taxiways and other construction needs. The Airport Improvement Program (AIP) provides grants to fund construction of critical safety, security and capacity projects at airports of all sizes and is supported entirely by users of the aviation system through the Airport and Airways Trust Fund (AATF). NSSGA supports an AIP baseline of at least \$3.5 billion to ensure the long-term viability of



small, medium and large airports. NSSGA also supports efforts to increase the Passenger Facility Charge (PFC). Last raised in 2000, the PFC creates additional resources for much-needed airport infrastructure improvements. Unfortunately, the PFC is not keeping pace with our airport infrastructure needs. Congress must modernize the PFC to maintain and improve our nation's airports, which are critical to advancing our national economy, improving airline safety and the air traveler experience.



BUILDING A SUSTAINABLE FUTURE

NSSGA members are leaders in taking aggressive action to protect our environment and responsibly and sustainably produce construction materials. Companies across the industry routinely develop award-winning projects reclaiming land and unused areas that conserve critical habitats and promote biodiversity. Further, aggregates are an essential resource for developing clean water infrastructure and water delivery, renewable energy, resilient shorelines and many other important environmental projects.

■ **Aggregates Are Part of the Climate Solution:** Aggregates are becoming increasingly needed to support renewable energy development and innovative infrastructure projects that are essential for reducing greenhouse gas emissions and the impacts of climate change in our communities. The industry is committed to taking all reasonable steps to reduce greenhouse gas emissions and to capture CO₂ while supplying essential materials. Our greenhouse gas emissions are inherently low due to the characteristics of our processes and our products. The plants and facilities that produce these necessary construction materials use relatively little electrical energy or fossil fuels. Despite low emissions, the industry continues to be a leader in responding to climate change and is constantly evaluating ways to reduce our energy use. These measures include improvements in crushing and screening and new refrigerants with lower warming potentials for air-conditioned truck cabs and offices. The aggregates industry has undertaken many greenhouse gas mitigation efforts, such as investing heavily in fuel-efficient mobile equipment and improving operational efficiency.

■ **Sustainability and Biodiversity:** Aggregates producers proactively work to ensure closed sites are remediated and help support the production of farmland, parks, wildlife habitats areas, water reservoirs, and nature preserves. NSSGA members are effective stewards of our environment, valuing innovation in our industry and always working to develop state-of-the-art technologies that improve our homes, businesses and schools.

■ **Rebuilding Our Communities by Keeping Aggregates Sustainable (ROCKS) Act:** As communities plan and develop roads, bridges, housing and other types of public works projects to grow the economy and help them recover from this current crisis, NSSGA encourages Congress to support policies that examines the use of aggregates and institutes federal guidance to guarantee continued access to this essential resource. We applaud the leadership of Congressman Greg Stanton (AZ) and Troy Balderson (OH) for introducing H.R. 611, the ROCKS Act. This legislation will help establish policies that allow communities to reduce costs; extend taxpayer dollars; and mitigate environmental impacts as they address current and future infrastructure needs.

■ **Navigable Waters Protection Rule:** To provide aggregates in a timely and responsible manner for vital infrastructure and environmental projects, aggregates producers need clean water and clear rules, and the Navigable Waters Protection Rule (NWPR): Definition of Waters of the United States (WOTUS) meets this imperative. NSSGA believes this rule responsibly protects federal waters while allowing state control of land use, as intended under the Clean Water Act. Changes to this rule would have substantial consequences on the aggregate industry's ability to deliver critical raw materials to public works project sites on time and on budget.

■ **Domestic and Renewable Energy Production:** In the face of compounding economic impacts from both the COVID-19 pandemic and global pressures on oil production, it is critical that action be taken to support our domestic oil and gas

industry and the workers and businesses that supply them. NSSGA encourages policies that allow greater investment in the domestic production and supply of energy resources that will help our nation's economic recovery and keep thousands of workers employed. NSSGA supports an all-of-the-above energy strategy, which includes developing energy deliverables like wind, solar, hydropower and other renewable sources. We urge expanded investments in renewable energy infrastructure that will improve the environment and create thousands of jobs, while also providing our country with a diverse energy industry: incorporating multiple sectors and ensuring energy resources are reliably and efficiently delivered to millions of Americans. Efforts to reinforce the already strained energy sector will help minimize future dependence on foreign producers and maintain America's position as a global energy producer.

■ **Access to Construction Materials on Federal Lands:**

It is crucial for communities located near federal lands to access the key resources necessary for building roads, bridges, schools, hospitals, homes and businesses. NSSGA has long opposed efforts to withdraw mining rights on federal lands, where aggregates operations responsibly supply these construction materials. Enacting withdrawal proposals would significantly increase the cost of public works projects, resulting from the need to import the stone, sand and gravel required to develop and repair infrastructure and buildings. This unnecessarily increases costs and uncertainty as the nation confronts the pandemic and subsequent economic challenges.

■ **Efficient Transport of Materials:** More than any other mode of transportation, the aggregates industry depends on

trucking to transport materials and supplies. Since most materials are hauled short distances between aggregates facilities and project sites, trucks are a necessary mode of transportation. NSSGA supports the recent implementation of Federal Motor Carrier Safety Administration's (FMCSA) modernization to our current Hours-of-Service (HOS) standards for truck operators. The changes will have positive long-term impacts on the safety and efficiency of this vital mode of transportation while maintaining control of their schedule. NSSGA supports these HOS reforms and opposes any efforts to remove driver flexibility from HOS mandates. NSSGA also opposes any efforts to increase truck insurance minimums, as current levels cover truck-related incidents, and any increases will do nothing to improve the safety of our nation's transportation network or its users.

■ **Accurate Minerals Definitions:** NSSGA supports efforts to ban legacy asbestos use in manufacturing. However, any policy to do so requires scientifically-based and accurate definitions and exposure thresholds. Moreover, it's vital for the nation's health, safety and welfare that the extraction of the natural materials, which do not contribute to asbestos-like disease, but are nonetheless required to build our homes, schools, hospitals and the nation's infrastructure, are not wrongly impacted. Naturally occurring asbestos exists in the earth's crust and, occasionally, in the rock formations where construction aggregates are extracted. That is why accurate and scientifically-sound geological and mineralogical definitions of naturally occurring asbestos are critical to the aggregates industry.

ENSURING SAFE AND EFFICIENT PRODUCTION OF AGGREGATES

Those working in the aggregates industry take great pride in supplying the nation with vital building materials safely and efficiently. Health and safety are industry values, including the daily routines in our plants and our customers' work sites, as well as our actions in our communities. NSSGA works to ensure our products can meet and supply market demands and specifications, as efficiently as possible, to keep costs low for customers and taxpayers. We actively support policies that support economic growth and lead to responsible investments in the infrastructure that improves our daily lives.



■ **Workforce Development:** A skilled and highly trained workforce is paramount to safely operating quarries that produce the critical materials found in infrastructure projects. Unfortunately, many aggregates producers are unable to hire and retain an adequate workforce from today's labor market. The aggregates industry takes pride in investing in their employees by providing attractive salaries, competitive benefits, robust training, support and career development. In fact, our industry's average annual salary is over \$75,000, and most employees spend their entire careers in the industry. NSSGA supports policies and funding from the federal government to ensure aggregate producers can access the skilled employees needed to continue producing the building blocks of America.

We also encourage Congress and the Administration to continue its bipartisan support for programs that prepare America's veterans, service members and their spouses, for meaningful careers and employment opportunities.

■ **Unnecessary Workforce Standards:** Aggregates producers are committed to promoting the health and safety of their most precious resource: their workers. That is why, since the start of the COVID-19 pandemic — in many cases before requirements and guidance measures were released by federal and local regulators — the industry took aggressive actions to protect workers as they continue to produce essential building materials. It is now clear that the practices established and executed by aggregates operators are working. To date, we have not seen an outbreak of COVID-19 traced back to quarries or other aggregates operations. That is because aggregates operators have been proactive and diligent ensuring their employees are taken care of on all fronts — physically, financially and personally. They typically exceed requirements promulgated by federal and state health experts to keep employees safe. NSSGA is concerned with the enactment of a broad and unnecessary Emergency Temporary Standard at the Mine Safety and Health Administration that may undo our progress to safely produce construction materials.

■ **Pro-Growth Trade:** Pro-growth trading policies are important to aggregates and industrial sand producers, along with the manufacturers and businesses that supply them. NSSGA supports new trade agreements, such as USMCA, which restores predictability to North American trade markets and limits disruptions to the construction equipment supply chain. Such trade agreements allow for more efficient product delivery and reduced costs for equipment purchasers. We look forward to partnering with Congress to enact additional agreements that will level the playing field for our nation, leading to stronger economic growth and creating good-paying jobs.

■ **A Tax Structure That Supports Growth:** A tax code that encourages investments in infrastructure development and allows families and businesses operating quarries to continue to create and support high-paying jobs is critical to a growing economy. NSSGA supports sensible reforms to our tax laws that remove undue burdens and allow for innovation in the aggregates industry. NSSGA will continue working with Congress and the Biden administration on tax code changes benefitting the stone, sand and gravel industry, and we vigorously oppose any provisions that would unduly and adversely impact aggregates operators, including:

- **Percentage Depletion:** NSSGA will continue to oppose legislative efforts to repeal the percentage depletion allowance. Having been incorporated into the tax code since 1926, this important provision incentivizes aggregates producers to make new investments by providing a 5 percent capital cost recovery method for sand, gravel and crushed stone development. Eliminating this provision will further drive cost increases for end users of aggregates.
- **Bonus Depreciation:** Aggregates producers make costly investments in heavy equipment and machinery to properly run their quarries that support our nation's manufacturing economy and are critical to ensuring the materials that create our infrastructure are available and competitively priced. Currently, the bonus depreciation allowance is slated to expire January 1, 2023. NSSGA supports permanent expansion of this important tool that provides aggregates operators the certainty to make necessary capital investments that create jobs and grows our economy.
- **Corporate Tax Rate:** Corporate tax rates must remain globally competitive to allow American labor and materials to compete on a level playing field. NSSGA supports maintaining the current Corporate Federal Tax Rate of 21 percent, without the burdensome complexity of an additional minimum tax. NSSGA also supports efforts to incentivize American manufacturing which is critical to our economic prosperity.
- **Small Business Deduction:** NSSGA supports the permanent extension of the 199A 20-percent deduction for qualified business income. 70 percent of NSSGA members are small producers and family owned operations that have supplied their local communities for generations. Section 199A is scheduled to sunset at the end of 2025 and bringing needed certainty to small businesses will help to further unleash American ingenuity and growth that is powered by small businesses.
- **Capital Gains Tax:** Encouraging risk taking including investments in innovation and infrastructure has always been a hallmark of the U.S. tax system. The current preference for capital gains should be continued without any income phaseout that would disproportionately affect small family businesses like those in the aggregates industry.
- **Estate Tax:** NSSGA supports a full repeal of the 40 percent federal estate or "death" tax, which is levied on estates valued greater than \$5 million at the time of death. NSSGA supported passage of the Tax Cuts and Jobs Act in 2017, which doubled the exclusion from \$5 million to \$10 million (adjusted for annual inflation) through 2025.